

## RECORD OF OFFICER DECISION

### APPROVAL FOR AWARD OF CONTRACT UNDER CROWN COMMERCIAL SERVICES FRAMEWORK RM3801 – NATIONAL FUELS

**Decision made**

To approve the award of a contract to Certas Energy under Crown Commercial Services (CCS) Framework RM3801 for diesel and gas oil

**Made by: Parvis Khansari**

Director Highways & Environment

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**Background**

1. As the Director for Highways and Environment I am responsible for any matters relating to Fleet Services in the county of Wiltshire on behalf of Wiltshire Council. The power to make a decision in respect of this matter is delegated to me pursuant to Wiltshire Council's Constitution.
2. I authorise Strategic Procurement Hub (SPH) to execute a contract for diesel and gas oil with Certas Energy at a value of c.£1.4 million per annum commencing 1 August until March 2020, including the use of e-signatures where permitted and considered appropriate.

**Reason for decision**

3. The Council purchases vehicle fuel on a spot basis. This spend breaches the threshold of public contract regulations.
4. In order to ensure the Council is compliant with public contract regulations, the Strategic Procurement Hub undertook a further competition under Crown Commercial Services' National Fuels framework RM3801.
5. This framework works on the basis of pence per litre (ppl) price margins, NOT the ppl price itself as the ppl is influenced by the oil market which is volatile and changes daily. Therefore the ppl cannot be set for a period longer than about a week. Most fuel suppliers price weekly in advance so only the price for the week ahead can be determined.
6. CCS ran a further competition on Wiltshire Council's behalf. There were two bidders for each commodity, Certas Energy and WFL Ltd t/a Watson Fuels.
7. CCS then ran an e-auction to further better the price. Certas Energy submitted the lowest prices for both commodities.

8. The reason for the 20 month term is that in March 2022 CCS is due to run an e-auction with existing customers and proposes that Wiltshire Council takes part in this event which will realise new pricing.
9. I confirm that in making this decision I have considered the following in line with Wiltshire Council's Constitution: **(Please insert 'Yes' / 'No' / 'Not Applicable' and any other comments necessary to evidence the issue identified has been addressed)**

Key decision requirements	Yes
Views of relevant cabinet member(s), committee chairman, area board(s)	Not applicable
Consideration of the area boards and delegated decision checklist for officers on the issue of when and how to involve local councillors and area boards in decisions about local services	Not applicable
Implication of any Council policy, initiative, strategy or procedure	Constitution, Part 10 – Contract Rules
Consultation in accordance with the Council's consultation strategy	Not applicable
Range of options available	Please see section 10 below, Other Options Considered.
Staffing, financial and legal implications	Not applicable
Risk assessment	Covered under Other Options Considered.
Involvement of statutory officers and/or directors	Not applicable
Regional or national guidance from other bodies	Not applicable
The Council's constitution	Constitution, Part 10 – Contract Rules
This contract is suitable for execution under the e-signature process.	No

### Conflict of Interest

10. Not applicable.

**Other options considered**

- **Do nothing. Rejected.** Liquid fuel is essential in delivering front line operations. To comply with the Public Contract EU Public Contracts Regulations 2006 (as amended) Wiltshire Council needs to enter into a procurement contract to avoid any further spend breaches.
- **Let a bespoke council contract. Rejected.** The Council's spend on liquid fuel is in scope of EU Procurement Regulations which would require a full EU compliant tendering exercise which would require significant officer resource and would take time to carry out.  
The Council's fuel use, although significant cannot compete with economies of scale that existing framework contracts offer. The bespoke approach does not deliver best value to the Council. Using an existing framework will save officer resources and deliver greater value for money.
- Reconfigure service to use a Commercial Fuel Card system. Rejected. A Fuel Card system does not offer the Council adequate resilience in the event of fuel shortages. Bunkered fuel stores allow Wiltshire Council to purchase additional stocks when prices are low, fuel cards would not offer the same opportunity. In addition, fuel cards would be tied to local petrol stations; there is also an issue with access to gas oil with fuel cards.

Other options considered	Reason for rejection
The Council could have continued to purchase its vehicle fuel on a spot basis.	This breaches public contraction regulations, and opens the authority to a risk of challenge.
The Council could have undertaken its own tender exercise.	The use of the CCS framework was recommended in the Sourcing Plan on the basis a pre-tendered framework existed, and it was more straightforward and efficient for Fleet Services and Strategic Procurement Hub to make use of it for procuring this complex commodity.

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 Made by: Parvis Khansari, Director, Highways and Environment

Date: .....